

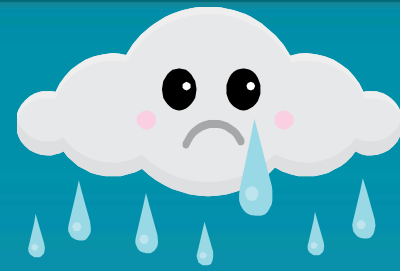
# LIVING IN NATURE'S PLAYGROUND



## **NM Finance Authority Oversite Committee**

July 17, 2014

# WARNING



*The story you are about to hear is REAL!*



# CHALLENGES



- Since 2006, the Ruidoso Community has experienced

**5 DISASTERS**

- Governor and FEMA Declarations

# FLOOD 2006





# FLOOD 2008



# FREEZE 2011

**Extreme cold Ruidoso  
New Mexico - Boiling  
water freezes in mid-air**





# WHITE FIRE 2011



4-3-2011  
Lisa Spurr/KRQE  
Ruidoso Downs Race Track

# LITTLE BEAR 2012

43,000 + Acres

240 Homes Lost + 10 Structures  
No Loss of Life





# As a result.... Village FEMA Projects Currently in Progress - **\$68,241,509**

Bridges	Water	Sewer
<ul style="list-style-type: none"><li>● Close Road Bridge</li><li>● Robin/Willow Road Bridge</li><li>● River Trail (King Rd) Bridge</li><li>● Sleepy Hollow Bridge</li><li>● Main Road 1 Bridge</li><li>● Coyote Road Bridge</li><li>● Main Road 2 Bridge</li><li>● North Loop</li><li>● McDaniel Bridge</li><li>● Bridge Construction Phase Services</li></ul>	<ul style="list-style-type: none"><li>● Duck Pond Filtration (HGK013)</li><li>● Eagle Creek Diversion Line Protection (HGK007)</li><li>● Interconnect (Alto/Grindstone) (RUI025F)</li><li>● North Fork Wells #1 and #3 (RUI024F)</li><li>● Grindstone Lake (HGK016B)</li><li>● Water Construction Phase Services</li></ul>	<ul style="list-style-type: none"><li>● Sewer Line Phase Preliminary Design, PR, Survey, geotech</li><li>● Sewer Line Phase Final Design and Property</li><li>● Sewer Line Phase 1 Construction</li><li>● Sewer Line Phase 2 Construction</li><li>● Sewer Line Phase 3 Construction</li><li>● Sewer Line Construction Phase Services</li></ul>

# Cost Estimates for All FEMA Projects – for Financial Planning

Priority Projects	Forecast Amount	FEMA Funding Commitment	State Funding Commitment	Village Match
Close Road Bridge	\$1,718,776	\$1,289,082	\$309,380	\$120,314
Robin/Willow Road Bridge	\$1,439,208	\$1,079,406	\$259,057	\$100,745
River Trail Bridge	\$1,608,750	\$1,206,563	\$289,575	\$112,613
Sleepy Hollow Bridge	\$961,973	\$721,480	\$173,155	\$67,338
Main Road 1 Bridge	\$1,048,030	\$786,023	\$188,645	\$73,362
Coyote Road Bridge	\$1,155,296	\$866,472	\$207,953	\$80,871
Main Road 2 Bridge	\$1,122,847	\$842,135	\$202,112	\$78,599
North Loop	\$1,004,742	\$753,556	\$180,853	\$70,332
McDaniel Bridge	\$686,666	\$515,000	\$123,600	\$48,067
Duck Pond Filtration (HGK013)	\$54,785	\$41,089	\$6,848	\$6,848
Eagle Creek Diversion Line Protection (HGK007)	\$35,541	\$26,655	\$4,443	\$4,443
Interconnect (Alto / Grindstone) (RUI025F)	\$416,666	\$312,500	\$52,083	\$52,083
North Fork Wells #1 and #3 (RUI024F)	\$160,875	\$120,656	\$20,109	\$20,109
Grindstone Lake (HGK016B)	\$306,606	\$229,955	\$38,326	\$38,326
Sewer Line Phase Preliminary Design, PR, Survey, geotech	\$3,396,249	\$2,547,187	\$611,325	\$202,077
Sewer Line Phase Final Design and Property	\$3,396,249	\$2,547,187	\$611,325	\$202,077
Sewer Line Phase 1 Construction	\$15,444,000	\$11,583,000	\$2,779,920	\$918,918
Sewer Line Phase 2 Construction	\$15,444,000	\$11,583,000	\$2,779,920	\$1,081,080
Sewer Line Phase 3 Construction	\$15,444,000	\$11,583,000	\$2,779,920	\$1,081,080
Construction Phase Services	\$3,396,249	\$2,547,187	\$611,325	\$225,851
<b>FEMA Projects TOTAL</b>	<b>\$68,241,509</b>	<b>\$ 51,181,132</b>	<b>\$12,229,876</b>	<b>\$4,585,13</b>

# The Village of Ruidoso

- A small municipality driven by a tourist economy that is affected when disaster hits
- 8,800 permanent residents -Utility customers
  - 65% of homeowners – 2<sup>nd</sup> homes
- FY 15 operating budget - \$49,068,635-DFA approved
- Annual Debt Service - \$2,544,958
  - **Reduced \$681,248 (27%) since 2009 (\$3,226,206)**
- Rates include: water, sewer, regional waste water, solid waste, yard waste (forestry)
  - **minimum monthly bill \$105.00 month**



# HIGHEST PRIORITY ADOPTED BY THE VILLAGE COUNCIL



**WATER**

# Ruidoso Water System

- Ruidoso's water system is considered one of the most complicated in the state
  - 41 different water pressure zones weaving through mountainous terrain, corrosive soils and an aging infrastructure.
  - 13 wells with water rights
  - 2 Five Million gal tanks at Alto Crest
  - 1 Three million gal tanks at Grindstone
  - 1 One million gal tank at Little Dragon – Hull Rd
  - ½ million tanks at Pinecliff, Camelot and Country Club and a smaller tank for backwash at the end of Upper Canyon

# Ruidoso Water System

- **Water Production** – All sources produce 2.6 million gallons of water a day
  - proven during the freeze crisis, when the Village rushed to refill dangerously low storage tanks drained because of the > than 500 leaks from damaged water pipes in private homes.
  - Deteriorating Infrastructure resulting in 30% water loss
- Plants operate at Alto Reservoir and Grindstone Reservoir
  - Both Reservoirs in need of improvements
  - Upper Canyon plant long ago was downgraded to a pump station, fed from the Alto tanks.
- The treatment plant at Alto Reservoir operates on the technology of the 1970s
- Standards have changed and are significantly more stringent, specific to turbidity and water production.



# Village of Ruidoso

## Steps Taken

### Increase Revenues

- ✓ Raised Water Rates – **encourage water conservation**
- ✓ Passed GO Bond – increased property tax to replace water lines and reduce water loss
- ✓ Applications for Funding
- ✓ NMFA Loans

### Decrease Expenditures

- ✓ Refinancing of Loans-Saved \$20 Million
- ✓ Reorganized Departments – Vacancies have not been replaced
- ✓ Reduced Operating Costs
- ✓ Conducted an evaluation on services
- ✓ Leveraged Resources

### Local Efforts

- ✓ Restructure Water Department-Public Works
- ✓ Focusing on Compliance
- ✓ Short term and Long Term planning in place
- ✓ Water Master Plan – in progress
- ✓ New Electronic Read Meters in progress
- ✓ Asset Management Plan in progress
- ✓ Adopted Source Water Protection Plan

**Request for Funding – Water Trust Board**

# GRINDSTONE DAM

## Request for \$4,500,000

Because of the Drought  
Grindstone 32' below spillway



Because of the Little Bear Fire  
- loss of water shed  
Grindstone 56' below spillway



# Grindstone Canyon Dam Liner

## \$4,500,000

- **Grindstone Canyon Dam is owned and operated by the Village of Ruidoso**
  - Capacity is 1500 Acre Feet
  - Built in 1984 -3<sup>rd</sup> Roller Compacted Dam in the World
  - Currently only recreational lake in Lincoln County
  - Currently classified as a HIGH hazard potential structure
  - All rehabilitation must meet current NM OSE requirements
- **Seepage of the Dam**
  - Pumps have been installed to pump seepage back into the Dam-High Operational Cost
  - Water quality and quantity is reduced pumps pick up dirt and minerals before pumping back into the Dam
  - All rehabilitation must meet current NM OSE requirements
  - Can not fill Dam due to the leakage
- **Stability Issues**
  - Liner will strengthen Dam
  - NM Dam Safety Bureau ordered the Village to not raise the level higher than 16' below the spillway



# Grindstone Canyon Dam Liner

## \$4,500,000

### ● Ruidoso Water Supply

- Supplies 30 % of Village's Water Supply –Mid-Town commercial area
- Recent drought conditions have impacted the watershed and the Dam level has been drawn down and is difficult to treat – **56' below the spillway**
- Little Bear Fire had detrimental effects on surface water quality and loss of watershed
- Water must be restored to Grindstone Canyon Reservoir because of water rights restrictions and 5 year accountability requirements

### ● Opportunity

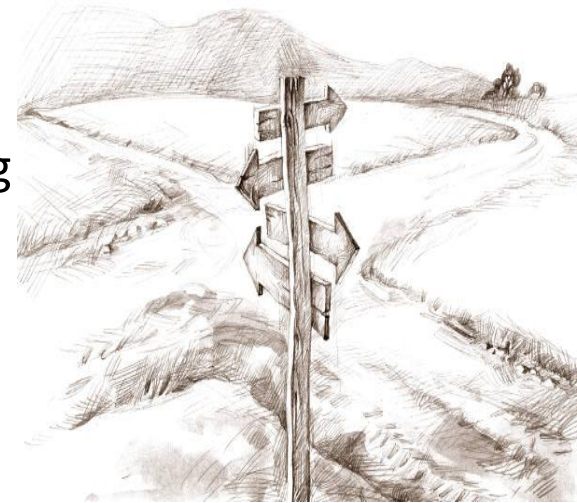
- To install a liner while the reservoir is low
- Installation 3-6 month
- To conserve lost water due to seepage from the Dam
- To reduce operational costs of the Village
- Improve water quality
- Ensure adequate water supplies to the Village
- Address the stability of the Dam

# State Funding Challenges

- Governor's Executive Order - Financial stability
  - Audit Findings vs material weaknesses
- Funding Applications are becoming too burdensome for smaller communities to compete
- Changing rules at legislative session or during application process
- Compliance issues with Regulators
- Changing scope of projects during application process
- Communications between entities and agencies

# WTB CHALLENGES

- Disqualified - 2013 funding - 2% Rule
- Qualified - Ruidoso applied for 2014 WTB funding
- Disqualified Administrative Order – NMED
- Qualified - Corrected AO deficiencies
- Disqualified - Amendment to SB 112
- Qualified – Amendment to amended SB112
- Disqualified - Governor Veto's SB112
- Communities disqualified 2013 funding – Readiness to Proceed issues
- Qualified - Ruidoso received 2013 funds - Engineering
- Qualified - Funding approved for 2014 funds - Construction





# Recap - CHALLENGES

- \$68,000,000 - FEMA approved projects
- Drought - water supply, water delivery
- OSE Dam Requirements - safety and capacity
- Connecting the Village 3 water systems
- Administrative Order – NMED
- Budget constraints – limited borrowing capacity

# Water Trust Board Policy

- The Water Trust Board seeks to strategically prioritize and package water projects that make the best use of state dollars and ensures it meets its statutory charge to “provide for water use efficiency, resource conservation and protection, fair distribution and allocation of New Mexico’s scarce water resources for beneficial purposes within the state.”
  - ✓ Best use of state dollars
    - Grindstone cost 8 x multiplier if divers install the liner
  - ✓ Provide water use efficiency
    - Water Loss of 1mg/d from leakage
    - Cost of operations to pump the water back to the lake
  - ✓ Resource Conservation and Protection
    - Reduced quality of water
  - ✓ Fair Distribution
    - Small communities have limited resources
    - Level Playing Field

